

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PUERTO RICO

IN RE:

FELIX RUIZ SOTO AND
MADELINE SOTO SANTIAGO

Debtors

CASE NO. 10-09435(SEK)

CHAPTER 11

APPLICATION FOR LEAVE TO RETAIN JOSE M. MONGE ROBERTIN, CPA, CIRA, AND MONGE
ROBERTIN & ASOCIADOS, INC., AS INSOLVENCY AND RESTRUCTURING ADVISORS
FOR THE DEBTORS

TO THE HONORABLE COURT:

The application of the Debtors in Possession herein, respectfully represents and prays:

1. Applicants herein are duly appointed Debtors in Possession in the above captioned case.
2. Applicants continue to operate the business as Debtors in Possession.
3. Services are required in the reorganization process of the Debtors in the areas of Plan Development, Liquidation Analysis, Claims Administration, Feasibility, Negotiations, Investment, Financing and other matters to assist counsel and debtors' reorganization.
4. Applicants wishes to retain José M. Monge Robertin, CPA, CIRA and Monge Robertin & Asociados, Inc. (Monge) as its insolvency and restructuring advisors, in the exercise of their powers and duties, on all financial matters pertaining to the reorganization in its Chapter 11 proceedings.
5. The aforesaid accounting firm and its principal, José M. Monge Robertin, CPA, CIRA,¹ is known to Applicants to be experienced in bankruptcy matters and thoroughly competent to perform his duties as insolvency and restructuring advisors for the Applicant.
6. To the best of Applicant's knowledge, the said Monge Robertin & Asociados, Inc., and José M. Monge Robertin, CPA, CIRA, or any of its associates, do not have any relation with:

¹ Appended hereto as Exhibit A copy of the *Curriculum Vitae* of José M. Monge-Robertin, CPA, CIRA.

- (a) debtors, except that Monge is financial advisor of a corporation wholly owned by Debtors.
- (b) creditors; any other party in interest;
- (c) attorneys for creditors or any other party in interest;
- (d) accountants for creditors, debtors or any other party in interest,
- (e) the U.S. Trustee;
- (f) any person employed by the U.S. Trustee;
- (g) prior accountants for Debtors, except that Armando Avilés CPA, who has referred to our firm other clients.

7. The applicants further believe that in the discharge of his duties as insolvency and restructuring advisor for the Debtors in Possession, Monge will not hold or represent any interest adverse to the herein Estate and is a disinterested party as required by 11 U.S.C. 327 (a).

8. The rates that will be used by Debtors to compensate Monge will be those approved by Debtors and the Court of interim and/or final applications for services under 11 U.S.C., sections 330 and 331, and applicable Local Bankruptcy Rules 2016. The Debtors or its corporation will provide a deposit for \$5,000.00. At least every 120 days Monge will request the Court to approve the fees billed. The fees are not contingent. Time expended for authorized services will be the normal standard by which fair and reasonable compensation is measured as approved by the Court in other bankruptcy cases and detailed in the attached engagement letter. Travel time will be billed at 50% of approved timely rates in trips exceeding one hour round-trip.

9. The Debtors believe that Monge is eminently qualified to represent them because he is a Certified Insolvency and Restructuring Advisor (CIRA) and due to the extensive experience in bankruptcy cases and his understanding of the complex matters pertaining to this case. Debtors also believe that the retention of Monge is in the best interest of the Debtors and the Estate.

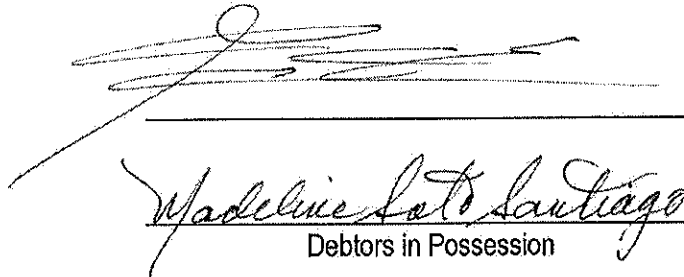
WHEREFORE, the Applicants prays to this Honorable Court the entry of an Order granting leave to retain Monge Robertln & Asociados, Inc. as Insolvency and Restructuring Advisors for the Debtors in

Possession in the present Chapter 11 proceeding, and in relation to all reorganization matters.

CERTIFICATION

We, **FELIX RUIZ SOTO** and **MADELINE SOTO SANTIAGO**, Debtors, certify under penalty of perjury that I have read the above Application and that the statements made herein are true and correct to the best of my knowledge, information and belief. A copy of this application has been filed in the Office of the United States Trustee, for the District of Puerto Rico.

Executed this 21 day of October, 2010.



Madeline Soto Santiago
Debtors in Possession



MONGE ROBERTIN & ASOCIADOS, INC.
Certified Insolvency and Restructuring Advisors

José M. Monge Robertín, CPA, CIRA

Sept 28, 2010

Mr. Félix Ruiz Soto
Box 1725
Moca, Puerto Rico 00676

Dear Mr. Ruiz:

As per our recent meeting, we summarize for your convenience our proposal to provide specialized restructuring and insolvency services as well as consulting in the areas of accounting, tax, systems and financial matters as part of your effort of reorganization you will file for protection under Chapter 11 of the U.S. Bankruptcy Code.


Services

Our Services will include the following:

- Assist legal counsel in the preparation of the Chapter 11 schedules.
- Assist legal counsel in the preparation of the Statement of Financial Affairs.
- Assist in the development of the Disclosure Statement Reorganization Plan.
- Prepare cash flow projections of the Debtor under the proposed plan of reorganization with our report and notes.
- Prepare Summary of Claims and Plan Payments Schedule. Reconcile claims, classify in accordance with the Code and review all proofs of claim for possible objections to claims. Provide counsel with our report on Claims Review and Objections.
- Prepare Liquidation Analysis with our accountants report and notes.

97 Acosta Street, Caguas, PR 00725 Tel. (787) 745-0707 Fax (787) 746-3895
Email: correspondencia@cirapr.com

Members of the Puerto Rico Society of Certified Public Accountants, The American Institute of Certified Public Accountants, The American Bankruptcy Institute, The Association of Insolvency and Restructuring Advisors, INSOL International, The Association of Certified Fraud Examiners and The Turnaround Management Association.

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- Assist Debtor in preparation of monthly operation reports (MORS) required by the Office of the U.S. Trustee guidelines.
 - Assist Debtor to calculate UST fees in accordance with current fee tables.
 - Assist Debtor to develop appropriate accounting systems to facilitate reporting and review.
 - Review tax compliance and tax attributes to assist Debtor in obtaining the full benefits permitted by law in relation to tax losses and non taxable adjustments of claims.
 - Preparation of Feasibility Report for Confirmation of the Plan.
 - Provide testimony, if necessary on feasibility.
 - Assistance to legal counsel in any adversary proceedings that may arise in the course of the reorganization that may require financial and accounting support or testimony.
 - Assistance to legal counsel and Debtor in any negotiations with creditors or post-petition equity funding or financing.
 - Assist counsel and Debtor to organize dockets, proof of claims and other documents to reduce electronic filing costs and provide efficient access to documents.
 - Assistance to counsel to review motions and answers to objections that involve financial and tax matters.
 - Prepare Substantial Consummation Report for counsel to document request his Final Decree.
 - Any other support requested by counsel or Debtor.

All services are dependent on the information provided by the Debtor, its counsel and others such as the Debtor's banks and creditors. Also, all documents prepared are drafts for the review and completion by counsel. We are not attorneys or Bankruptcy Petition Preparers and therefore none of these drafts are intended for filing by the Debtor without the review of its bankruptcy counsel. The Debtor is responsible to provide the required information or obtain it from the source.

Fees and Expenses

Our hourly fees are based on the level experience of each professional involved. Professional time will be charged on the actual hours spent on the engagement and presented for your approval. All fees charged are processed in fractions of 6 minutes (0.10 of an hour) as required by the Court.

The rates and professionals expected to participate are the following:

Professional	Hourly Rate
José M. Monge Robertín, CPA, CIRA	\$200.00
Eloina Díaz, Consultant	125.00
Héctor González, Tax Specialist	125.00
Support staff	65.00
Accounting and Finance Students	35.00

Rates are reviewed annually, to recognize cost of living allowances and salary increases to the professionals involved. Travel Time is billed at 50% of our standard hourly rate.



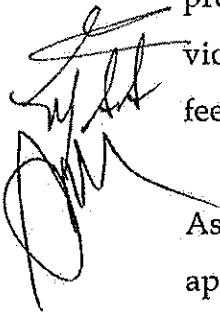
Expenses

We will be at all times trying to reduce your expenses to a minimum. In that regard we will be communicating as much as possible by e-mail rather than by telephone or fax. There are no charges for e-mail communications. Automobile travel within Puerto Rico will be charged based on the mileage information available through the Puerto Rico Highway and Transportation Authority as required by the Guidelines of the Office of the US Trustee. Our current cost per mile is \$0.70 per mile. We review mileage rates at least quarterly to adjust to current costs of fuel, insurance and other vehicle costs. Long distance calls will be charged at actual cost. The number of copies and facsimile transmissions will be identified and the cost per copy will not exceed 25 cents per page, unless paid to a third party. Messenger service expenses and postage will be billed at actual cost.

Billing

Prior to filing of the petition, fees are billed weekly and are due within ten (10) days. Fees paid within 10 days of the invoice date are subject to prompt payment discount (see discounts in page 5). Services prior to filing must be paid prior to filing in order for Monge Robertín & Asociados to qualify as a non interested party.

After filing the petition, work in progress is presented as pre-billing worksheets on a monthly basis for the review of the Debtor. All billing worksheets must be reviewed and approved by the Debtor and sent to our Administrative Office within 7 working days from issuance. Any questions on the billing can be resolved with the Office Manager, Mrs. Marian Oquendo or CPA Monge. Monge Robertín & Asociados, Inc. may withdraw from the engagement if billing worksheets are not reviewed and approved by the Debtor promptly, Debtor does not cooperate with the reorganization professionals, violations of bankruptcy laws and rules or Debtor is unable to pay professional fees after they are approved by the Court.



Every 120 days, or as permitted by the Court, Monge Robertín & Asociados, Inc., will present an application for interim compensation for the approval of the U.S. Bankruptcy Court based on detailed billings. Invoices are due upon approval of the Court. We may request the Court to permit filing of interim applications in a period shorter than 120 days. As of the effective date all invoices approved must be paid in compliance with the Reorganization Plan as administrative expenses.

Deposit

A deposit of \$5,000 will be provided by Debtor, prior to the filing of the petition as an advance on fees and expenses within 90 days from approval of our application for employment. Notice will be provided to all interested parties as per the most recent Master Address List. This deposit will be applied to the first invoice approved by the Court.

Discounts

Advances by other parties, such as related corporations that have not filed bankruptcy, and shareholders, qualify for a discount of 10% of the amount of the advance. These advances will be later applied to invoices approved by the Court.

Collection and Interest Charges after the Effective Date of the Plan

All invoices are due upon approval by the Bankruptcy Court. Invoices still due 30 days after the effective date of the plan will be charged an additional fee of 1.5% per month to cover financing and collection costs. If additional efforts are required to collect on services and expenses, professional and legal costs or fees will also be billed under this agreement.




Professional Experience

At Monge Robertín & Asociados, Inc., we are committed to the insolvency and restructuring practice, both in out-of-court settlements and workouts, as well as reorganizations under Chapter 11 of the US Bankruptcy Code. We are well known in the Bankruptcy professional community for serious solutions to Debtor's problems. We have experience as accountants for Debtor's, Trustee's and creditors committees, and José M. Monge Robertín, CPA, CIRA is the only Certified Insolvency and Restructuring Advisor (CIRA) in Puerto Rico since 1998. The practice, originally J M Monge & Asociados was organized in 1979 and incorporated in 1997 as Monge Robertín & Co, CPA, PSC. On April 1, 2010 the practice was continued as Monge Robertín & Asociados, Inc. in order to integrate other disciplines of professional services needed to reorganize debtors. We have been involved in consulting, audit, tax and systems engagements for manufacturing, insurance, credit unions, retail, wholesale, non-profit, construction and real estate development enterprises. Monge Robertín has four (4) consulting professionals specialized in accounting, financing, tax and systems consulting to provide an expedited, cost effective, and successful reorganization process. We also have a support staff that manages document imaging, and case

management. As part of our service cost reduction program and educational opportunities to university level students we may also provide time consuming data processing tasks with third and fourth year university accounting and finance students.

We are members of the American Bankruptcy Institute, The Association of Certified Insolvency and Restructuring Advisors, the Turnaround Management Association, the American Bankruptcy Institute and the Puerto Rico Society of Certified Public Accountants. We are also founders of the Puerto Rico Business Reorganization Institute, a newly organized non profit corporation to provide seminars to the business and industrial community develop an insolvency and reorganization library, and publish periodicals, guides and books in the insolvency area.

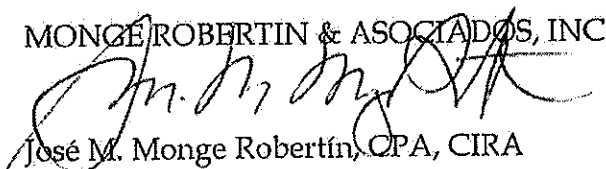


Our office is centrally located in Caguas and provides technical and research facilities to support our services island wide. Most of our services are provided at the client's or counsel's facilities but we also have conference rooms at our Caguas office center available for meetings with counsel, debtors, unions, and creditors, if needed, at no additional charge. For more information on our services and programs, see www.cirapr.com

If you agree with the terms and conditions established in this letter, we will appreciate you sign in the place provided. An application for employment and the related verified statement will be presented for filing by your counsel.

Cordially,

MONCE ROBERTIN & ASOCIADOS, INC.




José M. Monge Robertín, CPA, CIRA
President

Approved by:



Félix Ruiz Soto



Madeline Soto Santiago

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IN RE:

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MADELINE SOTO SANTIAGO**

Debtors

CASE NO. 10-09435 (SEK)

CHAPTER 11

VERIFIED STATEMENT PURSUANT TO LOCAL BANKRUPTCY RULE 2014-1

I, JOSE M. MONGE ROBERTIN, CPA, CIRA, make the following disclosures under penalty of perjury, in accordance with subsection (b) of this Local Bankruptcy Rule:

That I am duly licensed to practice in Public Accounting in Puerto Rico (License #1160 in good standing) as well as Certified Insolvency and Restructuring Advisor. I practice in conjunction with MONGE ROBERTIN & ASOCIADOS, INC., a firm dedicated to insolvency, consulting. The firm has offices at 97 Acosta Street, Caguas, Puerto Rico, and provides accounting support services, audit, management, consulting and financial planning services to companies with financial difficulties.

MONGE ROBERTIN & ASOCIADOS, INC., includes two certified public accountants, one of which is also a CIRA, and seven professionals, including tax specialists and financial consultants to facilitate and support the reorganization procedures in the most cost effective way for the benefit of the Estate.

That to the best of my professional knowledge, MONGE ROBERTIN & ASOCIADOS, INC., its principal José M. Monge Robertin, CPA, CIRA, and any other of the professionals of the firm, hold no professional relation with the Debtors, attorneys for the Debtors, parties owing property to, or creditors of the Estate, prior accountants, the United States Trustee or any person employed in the United State Trustee's Office or any other party in interest in the present nor in any related matter. Furthermore, the firm, its principal, and the professionals employed hold or represent no adverse interest to the Estate.

We have provided services to other debtors in Chapter 11 cases represented by Winston Vidal Gámbaro, Esq., as we provide services to six other attorneys and law offices in relation to bankruptcy and litigation support services. Winston Vidal Gámbaro, Esq., was also attorney for José M. Monge Robertin up to 2008. We have provided financial advisory services to Formula 1, Gasolinas Inc. a corporation owned by Debtors.

Considering the above, I know of no reason why José M. Monge Robertin, CPA, CIRA, or MONGE ROBERTIN & ASOCIADOS, INC., as Insolvency and Restructuring Advisors for the Debtors, should not be considered a disinterested party within the meaning of Section 101 (3) and 327 of the Bankruptcy Code. There is no agreement whatsoever with any third party for the sharing of the fees in this case.

Applications for compensation will be prepared and filed as per Local Bankruptcy Rule 2016-1.

In Caguas, Puerto Rico, this 21 day of October 2010.

MONGE ROBERTIN & ASOCIADOS, INC.
97 Acosta Street
Caguas, Puerto Rico 00725
Tel. (787) 745-0707 Fax. (787) 746-3895
email: cpamonge@cirapr.com

I, JOSE M. MONGE ROBERTIN, CPA, CIRA, certify under penalty of perjury that:

(a) I have drafted the above document and the statements made therein are true and correct to the best of my professional knowledge, information and belief;

(b) I will amend this statement immediately upon my learning that any of the representations made herein are incorrect, or there is any change of circumstances relating thereto;

(c) A copy of this statement has been served at the Office of the United States Trustee for the District of Puerto Rico.

Executed this 21 day of October, 2010.

MONGE ROBERTIN & ASOCIADOS, INC.



José M. Monge Robertín, CPA, CIRA
License #1160, PUERTO RICO